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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation

MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS

(Department of Company Affairs)

NOTIFICATION

New Delhi, the 14th March 1974

COST ACCOUNTING RECORDS (BULK DRUGS) RULES, 1974

G.S.R. 130(E).—In exercise of the powers conferred by sub-section (1) of Section 642, read with clause (d) of sub-section (1) of Section 209, of the Companies Act, 1956 (1 of 1956), the Central Government hereby makes the following rules, namely:—

1. **Short title and commencement.**—(1) These rules may be called the Cost Accounting Records (Bulk Drugs) Rules, 1974.

(2) They shall come into force on the 1st day of April, 1974.

2. **Application.**—They shall apply to every company engaged in the production, processing or manufacturing of bulk drugs.

3. **Definitions.**—In these rules, unless the context otherwise requires,—

(a) the expressions "bulk drug", "essential bulk drug" and "formulation" shall have the meanings respectively assigned to them in the Drugs (Prices Control) Order, 1970. as amended from time to time;

(b) "intermediate" means any compound which is manufactured from primary or basic raw material and which is used in the production, processing or manufacture of any bulk drug.

4. **Maintenance of records.**—(1) Every company to which these rules apply shall, in respect of each of its financial year commencing on or after the commencement of these rules, keep proper books of account containing *inter-alia* the

particulars specified in Schedules I and II annexed to these rules relating to the utilisation of materials, labour and other items of cost so far as they are applicable to the bulk drugs:

Provided that if the said company is manufacturing any products or engaged in other activities in addition to any of the bulk drugs, the particulars relating to the utilisation of materials, labour and other items of cost in so far as they are applicable to such other products or activities shall not be included in the cost of such bulk drug.

(2) The books of account referred to in sub-rule (1) shall be kept in such a way as to make it possible to calculate the cost of production and cost of sale of each of the bulk drugs during a financial year (hereinafter referred to as the relevant period) from the particulars entered therein.

(3) It shall be the duty of every person referred to in sub-section (6) and sub-section (7) of section 209 of the Companies Act, 1956 (1 of 1956) to take all reasonable steps to secure compliance by the company with the provisions of sub-rules (1) and (2) in the same manner as they are liable to maintain financial accounts required under sub-section (1) of section 209 of the said Act.

5. **Penalty.**—If a company contravenes the provisions of rule 4, the company and every officer thereof who is in default, including the persons referred to in sub-rule (3) of that rule, shall be punishable with fine which may extend to five hundred rupees and, where the contravention is a continuing one, with a further fine which may extend to fifty rupees for every day after the first during which such contravention continues.

SCHEDULE I

(*See* rule 4)

I. *Production Materials*

(a) Adequate records shall be maintained showing all receipts, issues and balances both in quantities and cost of each item of raw material and intermediate required and actually used for producing, processing or manufacuring any bulk drug. The basis on which the said quantities and costs have been calculated shall be clearly indicated in the cost records, or, if so desired by the company, in a separate manual of procedure, if any, maintained by the company or in foot notes or explanatory notes to the cost statements. The basis adopted shall be applied consistently. The costs shown in the records shall include all direct charges up to the works. Any wastage whether in storage, transit or for other reasons of these materials shall be shown separately and the method of dealing with such losses in costs shall also be disclosed in the cost records.

Adequate records showing the consumption of each item of raw material for production shall be maintained. If the quantity and cost of materials consumed are determined on any basis other than actuals, the method adopted shall be mentioned in the cost records. The overall reconciliation of such costs of materials with the actuals shall be made periodically and in any case at the end of the relevant period, explaining the reasons for variances. The method followed for adjusting the cost variances in determining the actual costs of the bulk drugs shall be clearly indicated in the cost records.

(b) Where basic raw materials or ingredients, such as Sorbitol for the manufacture of Vitamin 'C' or for other bulk drugs, are manufactured by the company or by its holding company or its wholly owned subsidiary, adequate records showing the cost of production of such items shall be maintained in such details as may enable the company to fill up the particulars in Proforma 'A' of Schedule II or in any form as near thereto, as practicable. Where farm products are raised by the company for use in the manufacture of bulk drugs or phytochemical products, adequate records to disclose the cost of production of such products shall be maintained in a suitable form. Separate cost statements in respect of each such raw material/ingredient/farm product shall be maintained by the company. The records of these materials shall be maintained in such details as may enable the company to determine the actual cost of production as well as the ultimate cost at the consuming point including all charges upto the works. The basis of pricing adopted by the holding company or subsidiary company for the supply of these raw materials to the subsidiary or holding company, as the case may be, shall be disclosed in the cost records.

(c) Adequate quantitative records for determining the net consumption of solvents like acetone, alcohol, methonal which are used for processing shall be

maintained. The cost records shall clearly indicate absorption or loss in the process of solvents used for the production of each bulk drug in a scientific manner indicating in-plant stocks and actual recovery of pure solvents arising out of production of each individual bulk drug. Adequate records shall also be maintained showing the receipts, issues and balances, both in quantities and costs of process chemicals such as caustic soda, activated carbon and benzene.

(d) The records relating to consumption of production materials shall, as far as possible, be identified with the batch of production or the cost centres to which the materials are issued.

II. *Consumable stores, small tools, machinery spares, etc.*

(a) Adequate records shall be maintained to show all receipts, issues and balances both in quantity and cost of each item of consumable stores, lubricants and items of spare parts and consumable tools required in connection with the manufacture of the bulk drug. The costs shown shall include all direct charges upto works, wherever specifically incurred. In the case of small tools, the costs of which are insignificant, the company may, if it so desires, maintain such records for the main group of such items.

(b) The cost of consumable stores, small tools and machinery spares consumed shall be charged to the relevant heads of account such as repairs to plant and machinery, repairs to buildings, maintenance of town-ship and maintenance of vehicles. Items issued for capital works, such as additions to buildings, plant and machinery, shall be shown under the relevant capital heads. Any wastage in storage, transit or for other reasons shall be shown separately. The method of dealing with such losses in costs shall also be indicated in the cost records.

III. *Power and Fuel*

Adequate records shall be maintained in order to ascertain the cost of power and fuel. The cost of power and fuel consumed shall be determined on the basis of actual meter reading of consumption or calculated on a reasonable basis and applied consistently. Where power is generated by the company itself, separate records shall be maintained to show in detail the different items making up the cost of generation of power.

IV. *Steam*

Adequate records shall be maintained to ascertain the total quantity and cost of steam generated and the quantity and cost of steam consumed in the different processes, departments or cost centres including that consumed for generation of power. The cost of steam so consumed shall be calculated on a reasonable basis and applied consistently.

V. *Brine and Chilled water*

Adequate records shall be maintained to determine correctly the quantity and the cost of brine and chilled water utilised by the different production departments.

VI. *Raw water, Soft water, Demineralised water, compressed air*

Adequate records showing the cost of production and distribution of raw water, soft water, demineralised water and compressed air shall be kept. The cost of these services shall be charged to the respective production departments and to the products on a reasonable basis.

VII. *By-products*

Adequate records shall be maintained showing the quantity of by-products derived and the basis adopted for their pricing for giving credit to the respective bulk drugs and intermediates. The basis so adopted for pricing the by-products shall be equitable and consistent. Records showing the expenses incurred on the recovery of the by-products like operation of the distillation columns and treatment plant, shall be kept to ascertain correctly the ultimate cost of the by-products in saleable form. Records showing the actual quantity sold and sales realisation of the by-products shall also be maintained.

VIII. *Wages and salaries*

(a) Proper and systematic records shall be maintained to show the attendance and the earnings of workers and other operational staff indicating the departments or the work on which they are employed. Where payments to workers are made on piece-rate basis the records relating thereto shall be maintained so as to enable proper assessment of wages payable to such workers. Necessary

records shall also be maintained in respect of all payments made for overtime work and to casual labour. Where any incentive payments are made, whether in the shape of production bonus or other forms of incentive based on output achieved by the workers individually or collectively, proper records shall also be maintained for the assessment of such payments.

(b) The records shall further show the wages and salaries relating to various manufacturing and other departments or units or cost centres, being the amounts payable and allocated to the different departments or units or cost centres. Idle time of workers shall be recorded separately, indicating the reasons for such idle time and the method of its treatment in calculating the costs of products. Any wages and salaries incurred towards additions to plant, machinery, buildings or other fixed assets shall be allocated to the relevant capital heads in the accounts.

(c) If the wages and salaries are allocated to the departments or units or cost centres or products on any basis other than actuals, the reconciliation of such wages with actuals and method followed for adjusting the cost variances, if any, in determining the actual cost of bulk drugs shall be indicated in the cost records.

IX. *Service Department expenses*

Expenses of service departments shall be apportioned to other service departments and the production departments on the basis of services rendered. Detailed records about the utilisation of the services by the different departments, cost centres and their absorption in product costs shall be maintained.

X. *Multi-purpose vessels*

When more than one manufacturing process is carried out in a particular or series of vessels, adequate records about the usage of such vessels for different products shall be kept. The cost of using such vessels shall be charged to the different products on an equitable basis such as equipment occupancy hours. Where composite machine hour rates are applied for absorption of wages, overheads and equipment usage, proper records relating to the utilisation of labour and multi-purpose vessels for different processes connected with the manufacture of different products shall be kept to enable determination of total machine hours and the amounts chargeable to the respective bulk drugs or intermediates. The variances between the actuals and the amounts charged at pre-determined rates shall be adjusted for arriving at the actual cost of production at the end of the year.

XI. *Workshop/Repairs and Maintenance Shop expenses*

Adequate records showing the expenditure incurred in the workshop and in the repairs and maintenance shop shall be maintained. The records shall further indicate the basis of charging the expenditure incurred in these shops to the different departments or manufacturing units or cost centres. Expenditure on a major repair work from which benefit is likely to accrue for more than one financial year, shall be shown separately in the cost records, indicating the method of its treatment in determining the cost of bulk drugs. Expenditure incurred on capital works shall be capitalised.

XII. *Depreciation*

(a) Adequate records shall be maintained showing the values and other particulars of fixed assets in respect of which depreciation is to be provided. These records shall *inter-alia* indicate the cost of each item of asset, the date of its acquisition, and the rate of depreciation. In respect of those assets, the original cost of acquisition of which cannot be ascertained without an unreasonable expenditure or delay, the valuation as shown in the books on the first day of the financial year beginning on or after the commencement of these rules shall be taken as the opening balance.

(b) The basis on which depreciation is calculated and further allocated to the various departments, cost centres and to the products shall be clearly indicated in the records. Depreciation chargeable to the different departments, manufacturing units or cost centres shall not be less than the amount of depreciation chargeable in accordance with the provisions of sub-section (2) of section 205 of the Companies Act, 1956 and shall relate to plant, machinery and other fixed assets utilised in such departments or units or cost centres. If in case the amount of depreciation charged in the cost records is higher than the amount of depreciation chargeable under the aforesaid provisions of the Companies Act, 1956, the amount so charged in excess shall be indicated clearly in the records. However, the cumulative depreciation charged against individual assets over a period of years shall not exceed the original cost of the respective assets. The method once adopted shall be applied consistently.

XIII. *Overhead expenses*

(a) Adequate records showing the details of the amounts comprising the overhead expenses including the break-up of head office expenses and the data relating to apportionment of overhead expenses to the various departments or manufacturing units or cost centres shall be maintained after reconciling all such expenses with the financial accounts. Overheads relating to works, administration, selling and distribution shall be recorded separately with details. In respect of capital jobs, appropriate share of overhead expenses shall be allocated to the capital heads.

Works overheads shall include among other items, indirect materials consumed and the relevant share of staff and labour welfare expenses. The detailed break-up of the items, constituting Head Office or common unit expenses and their allocation shall be maintained indicating the basis on which they are allocated to different activities or products of the company to enable determination of an equitable charge to the different bulk drugs and intermediates. The amount allocated to the different bulk drugs or intermediates shall be reasonable and appropriate. The method of apportioning overhead expenses to the various departments or manufacturing units or cost centres shall be clearly indicated in the cost records and applied consistently. Where the overhead expenses are recovered through the output of the various departments or manufacturing units or cost centres otherwise than at actuals, the method of reconciling such expenses with the actuals for the relevant period, the variances, if any, and the method followed for adjusting the cost variances in determining the cost of bulk drugs shall be indicated in the cost records.

(b) Details of selling and distribution expenses and the share thereof applicable to the bulk drugs and as between different sizes of packs shall be maintained in such a manner so as to enable the relevant particulars to be furnished in Proforma 'C' of Schedule II. Selling and distribution expenses shall be charged only to the quantity of bulk drugs and intermediates sold, if applicable. The basis of apportionment of these expenses to the bulk drugs and intermediates and others shall be indicated in the cost records and applied consistently.

Records showing the expenses incurred on export of bulk drugs, if any, shall be separately maintained so that the cost of sales within the country, and for exports can be correctly determined. These export expenses as well as the credits relating to drawbacks, sale of import entitlements etc., shall be shown in the relevant cost statements of drugs exported for arriving at the net cost.

XIV. *Packing*

Adequate records shall be maintained showing the cost of packing materials and wages and other expenses incurred in respect of different items packed. Where such expenses are not capable of being charged directly against individual items, the basis of apportioning the expenses shall be clearly indicated in the cost records and applied consistently. Detailed records of expenses incurred on export packing, if any, shall also be kept separately and exhibited in the relevant cost statements.

The records shall be kept in such a manner that the packing cost in respect of different types and sizes of packs are available separately.

XV. *Research and Development expenses*

Adequate records showing the details of expenses incurred by the company for the development of existing products or new products or processes, if any, shall be maintained separately. If the Research and Development Department is also engaged in the design and development of the plant facilities, the appropriate share thereof shall be capitalised. The method of charging research and development expenses to the cost of production shall be indicated in the relevant cost records and such expenses shall be charged to bulk drug and intermediates on a reasonable basis.

XVI. *Transfer price for bulk drugs used for captive consumption*

Adequate records showing the quantity of bulk drugs consumed for captive consumption by the formulation division of the company and the quantity sold to outside parties shall be maintained. The quantity transferred to formulations shall be valued at cost. A similar procedure shall be followed in respect of intermediates consumed for the manufacture of bulk drugs. However, the selling price as well as the notional price notified to the Central Government under paragraph 5 of the Drugs (Prices Control) Order, 1970, shall be shown by way of foot notes in the relevant cost statements indicating the basis on which the notional price has been arrived at.

XVII. *Cost statements*

Cost statements showing separately the actual cost of production and marketing of the bulk drugs and such of the intermediates which are partially or fully utilised for the manufacture of bulk drugs by the company shall be shown in Proformae 'B' and 'C' of Schedule II or in any form as near thereto, as practicable. Costs of bulk drugs and such of the above referred intermediates exported shall be exhibited in separate cost statements and the same excluded from the cost statements of these products sold in the internal market.

If a company follows a system of ascertaining costs on any basis other than actuals such as standard costing, the method adopted for arriving at the actual costs shown in the Proformae of Schedule II shall also be indicated in the cost records. Packing, selling and distribution expenses in respect of each size of packing shall also be maintained separately.

Proforma 'B' of Schedule II is meant to exhibit the final cost of each intermediate and bulk drug. Where, however, an intermediate or bulk drug passes through identifiable stages of process such as fermentation, crystallisation, extraction and purification as in the case of manufacture of antibiotics, cost records for such stages shall be maintained and reconciled with the data incorporated in Proforma 'B' of Schedule II.

XVIII. *Work-in-progress and finished goods stock*

The basis of arriving at the cost of work-in-progress and finished goods stock shall be indicated in the cost records so as to reveal the cost elements that have been taken into account in such computations. The cost elements referred to shall be related to the items shown in the Proformae of Schedule II. The method adopted shall be consistently followed. Records shall be maintained by the company in such details so as to enable it to fill up the particulars in Proforma 'D' of Schedule II.

XIX. *Reconciliation of cost and financial accounts*

The cost records shall be periodically reconciled with the financial books of accounts so as to ensure accuracy. Variations, if any, shall be clearly indicated and explained. The period for which such reconciliation is effected shall not exceed the period of the financial year of the company. The reconciliation shall be done in such a manner that the profitability of the product under reference can be correctly adjudged and reconciled with the overall profits of the company from all its activities.

A statement showing the total expenses incurred by the company indicating the share applicable to bulk drugs shall be maintained in Proforma 'E' of Schedule II and reconciled with the financial accounts.

XX. *Records for Stock verification*

Records of physical stock verification shall be maintained in respect of all materials including different solvents, raw materials, packing materials, consumable stores, small tools and machinery spares and other finished goods stock. Records of consumption and production shall also be reconciled with the excise returns. Any losses or surpluses arising out of such verification or losses in storage or in transit shall also be indicated separately stating the method of their treatment in cost records.

XXI. *Statistical statements and other records*

Statistical statements and other records shall be maintained in such details so as to enable the company to comply with the requirements of this Schedule and Schedule II and to enable the cost auditor to report to the Company Law Board on all the points referred to in the Cost Audit (Report) Rules, 1968, as amended from time to time. Data relating to batchwise production, standard and actual yields, operational efficiency of individual departments, solvent losses, number of fermentations carried out, equipment occupancy and usage as well as details of major repairs and maintenance carried out shall also be maintained. Such records as will enable to identify, as far as possible, the capital employed separately for the bulk drugs activity shall also be kept. The data shall also reveal fresh investments on fixed assets that have not contributed to the production during the year. The broad effect of under utilisation of capacity, if any, on the cost of production of the bulk drugs shall also be made available in the records.

SCHEDULE II

(*See* rule 4)

Proforma 'A'

Name of the Company———————————————

Statement showing the cost of production of self manufactured ingredient/ substance used in the manufacture of ***———produced during the year———

	Current year	Previous year
Licensed capacity of the plant.....		
Installed capacity of the plant.....		

	Current year	Previous year
Name of the self-manufactured ingredient/substance		
Batch size		
No. of batches produced		
Gross inputs		
Output		
Yield%		
Standard Yield% *		

***Name of the bulk drug to be inserted.

*Yield% may be indicated with reference to principal raw material/intermediate.

Particulars	Quantity	Rate	Amount	Per Unit — Current year				Per Unit — Previous year			
				Standard		Actual		Standard		Actual	
1	2	3	4	5		6		7		8	
		Rs.	Rs.	Qty	Cost Rs.	Qty	Cost Rs.	Qty.	Cost Rs.	Qty	Cost Rs.
1. Raw Materials (Each item to be specified) .											
2. Chemicals . .											
3. Direct Wages .											
4. *Services :*											
(a) Power . .											
(b) Water . .											
(c) Steam . .											
(d) Brine . .											
(e) Chilled water .											
(f) Air . .											
(g) Other Services if any, in detail.											
5. Other Works Overheads .											
6. Repairs & Maintenance . .											
7. Royalty . .											
8. Quality control .											

1	2	3	4	5	6	7	8
9. Research and Development .							
10. Depreciation .							
11. Administrative Overheads .							
Total							
Less :	(1) Realisable value of by-products.....						
	(2) Other credits, if any,.....						
12. Adjustments for the difference in the value of opening and closing work-in-progress . .							
13. Cost of production							
14. Stock Adjustments							
Add : Opening Stock							
Less : Closing Stock							
15. Cost of self manufactured ingredient/ substance transferred to Proforma 'B' for the manufacture of Intermediate/ bulk drug or sold. . .							
16. Average sales realisation, if sold. . .							

NOTES .—

1. Separate cost sheets shall be maintained in respect of each ingredient manufactured and used in the manufacture of bulk drugs/intermediates used for the manufacture of bulk drugs.
2. The basis on which realisable value is determined for the by-products shall be clearly indicated in the cost records.
3. Abnormal losses, if any, shall be indicated both in quantity and cost in a separate statement.
4. Reasons for variations between standards and actuals shall be clearly recorded. Circumstances leading to revision of standards, if any, shall also be indicated in the form of a foot note.
5. The apportionment of common overhead expenses to the products in the case of multipurpose untis shall be equitable *vide* para XIII of Schedule I.
6. Where composite machine hour rates are applied, proper supporting records indicating the equipment usage in the case of multipurpose ' plants shall be maintained. The variances arising out of the pre-determined rates shall be adjusted to arrive at the actual cost at the end of the year.
7. Details of raw materials used are to be incorporated under item I—raw materials.
8. If part of the product is sold, details of the quantity, price and value thereof shall be shown in the records.
9. Bonus to employees other than incentive bonus shall be excluded and exhibited only in Proforma "C" under the headung "Other expenses not included in cost".
10. Where standard costing system is not followed, columns relating to "Standard" need not be filled in.

Proforma 'B'

Name of the company.....

Statement showing the cost of ..... intermediate/final bulk drug manufactured during the year.....

Conversion of .....into ....

	current year	Previous year
1. Capacity of the plant Licensed : Installed :		
2. Batch size		
3. Number of batches produced		
4. Gross inputs		
5. Recoveries, if any		
6. Net inputs		
7. Output		
8. Yield%*		
9. Standrad Yield%		

(*Yield, %may be indicated with reference to principal raw material/intermediate)

Particulars	Quantity	Rate	Amount	Per Unit Current year Standard	Per Unit Current year Actual	Per Unit Previous year Standard	Per Unit Previous year Actual	%Variation from standard Current year	%Variation from standard Previous year
1	2	3	4	5	6	7	8	9	10
		Rs.	Rs.	Qty Cost Rs.	Qty Cost Rs.	Qty Cost Rs.	Qty Cost Rs.	Qty	Cost
1. *Raw materials*									
(a) Purchased (Each item to be specified) .									
(b) Intermediates (Each item to be specified) . . Raw materials covered by proforma 'A'									
1) Other Conversion Materials & Chemicals .									
2. Direct Wages .									
3. *Service*									
(i)Power . .									
(ii) Water .									

1	2	3	4	5	6	7	8	9	10
(iii) Steam .									
(iv) Brine .									
(v) Chilled Water .									
(vi) Air . .									
(vii) Other services, if any in detail .									
4. Other works overheads .									
5. Repairs & Maintenance									
6. Royalty									
7. Quality control									
8. Research & Development									
9. Depreciation									
10. Administration Overheads									
TOTAL									
Less:(1) Realisable value of by-products									
(2) Other credits, if any.									
11. Adjustment for difference in the value of opening and closing work-in-progress									
12. Cost of production of bulk drug/intermediate									

NOTES.—1. Separate cost statements shall be kept in respect of each bulk drug and each intermediate manufacture .

2. The basis on which the realisable value is determined for the by-products shall be clearly indicated in the cost records.

3. Abnormal losses, if any, both in quantity and cost shall be shown in a separate wstatement indicating the reasons therefor.

4. Where composite machine hour rates are applied, proper records relating to the utilisation of labour and multi-purpose plants for different processes/products shall be kept to enable determination of total machine hour cost chargeable to the particular bulk drug/intermediate. The variances in this regard shall be adjusted to arrive at the actual cost of production at the end of the year.

5. The apportionment of common coverheads to the product in the case of multi-product units shall be equitable vide para XIII of Schedule I.

6. Details of raw materials are to be indicated unter item I—raw materials.

7. Intermediates transferred from one process to the next process shall be at actual cost.

8. Reasons for variances between standards and actuals shall be clearly recorded. Circumstances relating to revision of standards, if any, shall also be furnished in the form of a foot-note.

9. If any intermediates are sold, details of the quantity, price and value thereo shall be shown in the records.

10. Bonus to employees other than incentive bonus shall be excluded and exhibited only in Proforma 'C' under the heading "Other expenses not included in cost."

11. Where standard costing is not followed, column relating to "Standard" need not be filled in.

Proforma 'C'

Name of the Company———————————————————————————

Statement showing cost of sales of packed**———————(**Name of the bulk drug to be shown here) produced and sold/consumed during the year———————.

	Current year	*Previous year*
1. Quantity produced		
2. Quantity used for captive consumption by the company.		
3. Quantity packed		
4. Quantity sold in the country		
5. Quantity exported		
6. Sizes of packing		

Particulars	Quantity	Rate per unit Rs.	Total Cost Rs.	Cost per unit	
				Current year Rs.	Previous year Rs.
1	2	3	4	5	6
1. Cost of naked bulk drug as per Proforma 'B'					
2. *Packing Cost*					
(a) Non-returnable containers					
(b) Other packing materials					
(c) Wages					
(d) Overheads					
3. Total cost of packed bulk drug					
4. Add: Opening Stock					
5. Less: Closing stock					
Net ex-works cost of packed product sold/consumed during the year					
6. *Selling & Distribution expenses* (For quantities sold only).					
(a) Salaries & Wages					
(b) Publicity					
(c) Depot Expenses					
(d) Freight					
(e) Handling charges					
(f) (i) Commission under D.P.C. Order 1970					
(ii) Extra Commission paid, if any					
(g) Discounts					
(h) Others					
Total selling & distribution expenses					

1	2	3	4	5	6
7. Total cost including selling & distribution expendses.					
8. Interest charges . . .					
9. Other expenses not included in cost (Details to be listed)					
10. Total expenses including interest and other charges and excluding excise duty . .					
11. Total expenses in respect of quantities sold in the country excluding excise duty and export expenses .					
*12. Average sales realisation (excluding excise duty) for quantities sold in the country					
13. Margin on the sales within the country					
TOTAL of 12 (—) 11. .					

NOTES.—1. Separate cost statements shall be maintained in respect of each bulk drug and for each size of pack.

2. The apportionment of common selling and distribution expenses to the product in the case of multi-product units shall be equitable vide para XIII of Schedule I.

3. All Bonus to employees other than incentive bonus shall be shown only in this Proforma 'C' under item 9—"other expenses" and not in any other proforma.

4. Detailed records for the total selling and distribution expenses shall be maintained and only the appropriate share allocable to the bulk drugs is to be charged indicating in the records the basis adopted for this allocation.

5. All interest charges on self manufactured ingredients, intermediates and bulk drugs shall be shown in Proforma 'C' only and not in any other proforma.

*6. Average sales realisation shall be indicated separately for quantities sold at (i) prices notified by the Central Govt. under Drugs (Prices Control) order, 1970 (ii) notified to the Govt. under para 5 of the Drugs (Prices Control) Order 1970 and/or (iii) at prices fixed by the company.

7. Separate cost statements shall be prepared for intermediates and bulk drugs exported.

8. Reasons for any major variations between actuals for the current and the previous year shall be clearly recorded.

9. Proforma 'C' shall be maintained in respect of intermediates also, if sold.

Proforma 'D'

Name of the company .....

I. Statement showing the value of work-in-progress at the end of the year.....

Rs.

Particulars

1. Opening work-in-progress as on.....

2. Add Expenses relating to production of bulk drugs (including items covered by Proforma 'A' of Schedule II) incurred during the year . . . . . .

Total . . .

3. Less: Cost of production of bulk drugs (incuding items referred to in Proforma 'A' of Schedule II. . . . . .

4. Closing work-in-progress as on.....

II. Statemen showing the finished stock of bulk drugs, intermediates, self manufactured ingredients/substance.

Type of production	Opening stock as on		Production dning the year		Sold during the year		Captive consumption		Physical stock adjustment, if any		Closing stock as on	
	Qty Tonnes	cost Rs.	Qty Tonnes	cost Rs.	Qty Tonnes	cost Rs.	Qty Tonnes	cost Rs.	Qty Tonnes	cost Rs.	Qty Tonnes	cost Rs.
1	2	3	4	5	6	7	8	9	10	11	12	1
1. Self manufactured ingredients/substance *vide* Proforma 'A' of Schedule II .												
2. *Intermediates*												
(i)												
(ii)												
(iii)												
3. *Bulk Drugs*												
(i)												
(ii)												
(iii)												
Total :												

Proforma 'E'

Name of the company .....

Statement showing the total expenses incurred during the year..... and share applicable to bulk drgus.

Particulars.	Total expenses for the year ending Rs.	Share applicable to self-manufactured ingredients intermediates and bulk drugs Rs.	Others Rs.
1	2	3	4
1. Raw materials consumed			
2. Chemicals			
3. Other materials consumed			
4. Direct Wages			
5. Services			
6. Other Works Overheads			
7. Repairs & Maintenance			
8. Royalty			
9. Research & Development			
10. Depreciation			
11. Administration Overheads			
12. Selling & Distribution overheads			
13. Packing materials consumed			
14. Interest charges			
15. Annual bonus to employees			
16. Other expenses, if any.			
TOTAL			
Less : (1) Realisable value of the by-products . (2) Other credits, if any			
TOTAL			
17. Adjustment for captive consumption of bulk drugs . .			
TOTAL			

1	2	3	4
18. Adjustment for the difference between the opening and closing stock balance of			
(i) Work-in-progress			
(ii) Finished stocks			
*Total (excluding excise duty)			
**19. Sales realisation for quantities sold . . .			
20. Profit			

*To be reconciled with the financial accounts for the relevant period.

**To be indicated separately for quantities of bulk drugs sold (i) at prices notified by Central Government under the Drugs (Prices Control) Order, 1970 (ii) at prices notified to the Government under paragraph 5 of the Drugs (Prices Control) Order, 1970 and/or (iii) at prices fixed by the company.

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P. B. MENON, Jt. Secy.

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